

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION

RECEIVED

Arizona Corporation Commission

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2 CORP COMMISSION
DOCKET CONTROL

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COMMISSIONERS

BOB STUMP, CHAIRMAN
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

IN THE MATTER OF THE JOINT APPLICATION)
OF UNS ELECTRIC, INC., AN ARIZONA)
CORPORATION AND MOHAVE ELECTRIC)
COOPERATIVE, INCORPORATED FOR AN)
ORDER APPROVING A BORDERLINE)
AGREEMENT)
)

DOCKET NO E-04204A-13-0348
E-01750A-13-0348

JOINT APPLICATION

UNS Electric, Inc. ("UNS Electric") and Mohave Electric Cooperative, Incorporated ("MEC"), through undersigned counsel, hereby submit this Joint Application to the Arizona Corporation Commission ("Commission") for approval of a Borderline Agreement.

I. BACKGROUND.

UNS Electric is a public service corporation engaged the generation, transmission and distribution of electricity for the purpose of serving its customers located within a specifically designated service area in portions of Santa Cruz and Mohave Counties, Arizona, which has been certified and approved by the Commission.

MEC is a member-owned electric cooperative public service corporation engaged in the distribution of electricity for the purpose of serving its customers located within a specifically designated service area in portions of Mohave, Yavapai, and Coconino Counties, Arizona, which has been certified and approved by the Commission.

II. REQUEST.

WPI-919 Farm AZ, LLC's property is located at the corner of Vanderslice Road and King Street in Mohave County, Arizona more particularly described in attached **Exhibit 1 to**

1 **Exhibit A.** This property is located in UNS Electric's certificated territory. The nearest UNS
2 Electric facilities to WPI-919 Farm AZ, LLC that can provide the requested three-phase
3 service are approximately 12,672 feet away and the cost of the line extension, pursuant to
4 UNS Electric's applicable tariff, would be approximately \$181,093.37 with an estimated
5 deposit of \$18,110.00 required to cover the estimated cost of the engineering design.
6 Additional easements and permits would be necessary to access the property. In contrast, the
7 nearest MEC facilities that can provide the requested service are approximately 125 feet away
8 and the cost of the line extension to a temporary service, pursuant to MEC's Service Rules
9 and Regulations, would be approximately \$13,000.00 plus an estimated deposit of \$500.00
10 required to cover the estimated cost of engineering design. Any additional easements and
11 permits necessary to access the property will need to be secured by WPI-919 Farm AZ, LLC
12 at no cost to MEC.

13 At this time, it is in the best interests of WPI-919 Farm AZ, LLC to be served by MEC
14 until such time that UNS Electric determines that it is economically feasible for UNS Electric
15 to serve WPI-919 Farm AZ, LLC.

16 **III. ELECTRIC SERVICE AUTHORIZATION AGREEMENT.**

17 UNS Electric and MEC have entered into an Electric Service Authorization Agreement
18 (the "Agreement") for WPI-919 Farm AZ, LLC, attached hereto as **Exhibit A**, in order for
19 MEC to provide temporary electric service to WPI-919 Farm AZ, LLC subject to WPI-919
20 Farm AZ, LLC executing a non-member application for service, paying all costs for the
21 extension and upgrade of MEC's existing facilities and securing any and all easements and
22 permits associated with MEC's provision of such service. Pursuant to the Agreement, UNS
23 Electric reserves the right to provide electric service to WPI-919 Farm AZ, LLC when UNS
24 Electric determines that it is economically feasible to do so. In the event that UNS Electric
25 determines that it can provide such service, UNS Electric will: 1) provide MEC and WPI-919

1 Farm AZ, LLC written notice thereof not less than thirty (30) calendar prior to extending
2 service to WPI-919 Farm AZ, LLC, and 2) coordinate with MEC the exchange of the service,
3 including the transfer of any facilities paid for by WPI-919 Farm AZ, LLC and dedicated
4 exclusively to providing service to WPI-919 Farm AZ, LLC. UNS Electric and MEC request
5 that the Commission approve the Agreement.

6 Applicants, UNS Electric and MEC, believe that the Agreement will be consistent with
7 and promote the public interest, and will be in the best interest of WPI-919 Farm AZ, LLC to
8 enable it to more efficiently and economically be provided electric service.

9 UNS Electric has no outstanding line extension agreement with WPI-919 Farm AZ,
10 LLC. There are no easements or rights-of-way to be transferred. The applicable rate(s) to be
11 charged WPI-919 Farm AZ, LLC by MEC is/are attached hereto as **Exhibit B**. A copy of this
12 Joint Application has been mailed to WPI-919 Farm AZ, LLC as set forth on the certificate of
13 service.

14 WHEREFORE, the Joint Applicants respectfully request the Commission to issue its
15 order approving the Agreement.

16 RESPECTFULLY SUBMITTED this 9th day of October 2013.

17
18 MOHAVE ELECTRIC COOPERATIVE,
19 INCORPORATED

UNS ELECTRIC, INC.

20
21 By: 

22 *for* Michael Curtis, General Counsel
Mohave Electric Cooperative,
23 Incorporated
c/o Curtis, Goodwin, Sullivan,
24 Udall & Schwab, P.L.C.
501 E. Thomas Rd.
25 Phoenix, Arizona 85012
Attorney for MEC

By: 

Bradley S. Carroll
Kimberly A. Ruht
UNS Electric, Inc.
88 East Broadway, MS HQE910
P.O. Box 711
Tucson, Arizona 85702
Attorneys for UNS Electric

PROOF OF AND CERTIFICATE OF MAILING

I hereby certify that on this 9th day of October, 2013, I caused the foregoing document to be served on the Arizona Corporation Commission by delivering the original and thirteen (13) copies of the above to:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

COPY of the foregoing hand delivered
this 9th day of October, 2013, to:

Janice Alward, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Steve Olea, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

John LeSueur, Assistant Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Lyn Farmer, Chief Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPY of the foregoing mailed
this 9th day of October, 2013, to:

WPI-919 Farm AZ, LLC
% WATER PROPERTY INVESTOR US LP
MEMBER
509 MADISON AVE #804
NEW YORK, NY 10022

By: Nancy Walker

Exhibit A

ELECTRIC SERVICE AUTHORIZATION AGREEMENT

THIS ELECTRIC SERVICE AUTHORIZATION AGREEMENT (this "Agreement") is entered into this 9th day of October 2013, by and between UNS Electric, Inc., an Arizona corporation ("UNS Electric") and Mohave Electric Cooperative, Incorporated ("MEC"), an Arizona non-profit corporation.

RECITALS:

- A. The real property described in Exhibit 1 attached hereto (the "Subject Area") is within the area of UNS Electric's Certificates of Convenience and Necessity issued by the Arizona Corporation Commission ("Commission");
- B. WPI-919 Farm AZ, LLC ("Customer"), a Delaware limited liability company, has requested that electric service be provided to the Subject Area;
- C. In UNS Electric's opinion, because of current conditions it is beneficial to the Customer for UNS Electric to permit MEC to temporarily provide electric service to the Customer's real property, which MEC is willing to provide as hereafter agreed.

PROMISES AND COVENANTS:

NOW, THEREFORE, in consideration of the foregoing recitals and in further consideration of the following covenants, promises, and provisions, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their agents, employees, successors and assigns, do hereby agree as follows:


- 1. MEC is hereby authorized by UNS Electric to enter the Subject Area, certificated to UNS Electric, and construct and maintain electric service lines and facilities necessary to serve the Customer until such time as UNS Electric notifies MEC in writing of its intention to provide service.
- 2. MEC is willing to provide temporary electric service to the Customer subject to Customer:
 - a) executing a non-member service agreement;
 - b) paying all costs of facilities necessary to enable MEC to provide the requested service;
 - c) securing at no cost to MEC any and all permits and easements MEC determines are needed to provide the requested service; and
 - d)

paying all applicable deposits, fees, rates and charges associated with the requested class of service approved by the Commission for MEC's retail customers.

3. UNS Electric shall provide MEC and the Customer not less than thirty (30) days written notice of its intent to commence serving the Customer. Upon receipt of such written notice MEC and UNS Electric shall cooperate on the transferring of service to UNS Electric, including transferring all of MEC's title and interest in those facilities paid for by the Customer and dedicated exclusively to serving the Customer. Any upgrades of MEC's facilities used to serve other customers of MEC shall remain the property of MEC.
4. MEC will then discontinue providing electric service to Customer in the Subject Area on a date mutually agreed upon by MEC and UNS Electric.
5. MEC and UNS Electric shall have no obligation, but may separately agree to allow MEC to retain any facilities UNS Electric does not intend to use to serve the Customer.
6. The transfer to UNS Electric of MEC's facilities dedicated exclusively to serve the Customer shall not be subject to further approval by the Commission.
7. Nothing in this Agreement precludes UNS Electric from serving within the Subject Area with UNS Electric facilities, subject only to the provision of thirty (30) days written notice as set forth herein.
8. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors in interest and assigns, whether arising voluntarily or by operation of law.
9. This Agreement shall become effective upon approval by the Commission.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

UNS ELECTRIC, INC.,
an Arizona corporation

By: 
Senior Director for UNS Electric, Inc.

MOHAVE ELECTRIC COOPERATIVE,
INCORPORATED, an Arizona nonprofit
corporation

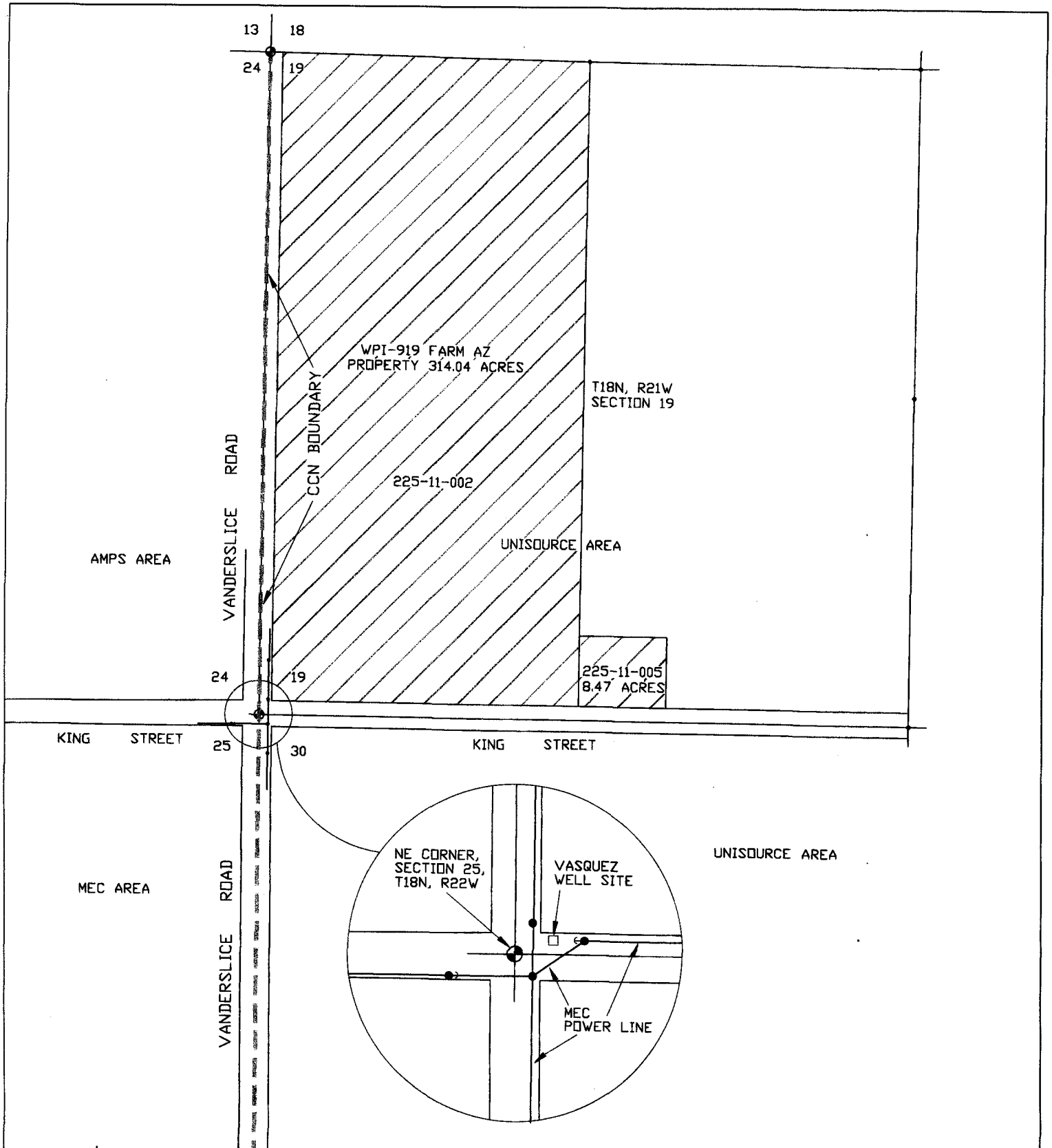
By: 
Its Chief Executive Officer

EXHIBIT 1
SUBJECT AREA

The W1/2, excepting the West 42 feet thereof, Section 19, T18N, R21W, G&SRB&M, Mohave County Arizona (314.04 Acres) [aka a Assessor Parcel No. 225-11-002]; and

The SW1/4, SW1/4, SE1/4, excepting the North 101.75 feet thereof, Section 19, T18N, R21W, G&SRB&M, Mohave County Arizona (8.47 Acres) [aka a Assessor Parcel No. 225-11-005]

See Depiction on page 2 of Exhibit 1.



MOHAVE ELECTRIC COOPERATIVE INC.

ARIZONA 22

DWN. BY GARY FISER

REVISED 10-3-13

FILE:

DATE 8-21-13

UNS-MEC
BORDERLINE AGREEMENT
WPI-919 FARM AZ, INC

STATE & CO.

SEC. T-R

MAP NO.

ARIZONA

MOHAVE

W 1/2
S19
T18N
R21W

3203-10

SCALE
1 INCH = N.T.S.



EXHIBIT B

ORIGINAL

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MEC ELECTRIC RATES

MOHAVE ELECTRIC COOPERATIVE, INC.

1999 Arena Drive

Bullhead City, Arizona 86442

Filed By: J. Tyler Carlson

Title: CEO/General Manager

Effective Date: September 1, 2012

STANDARD OFFER TARIFF

LARGE IRRIGATION PUMPING SERVICE SCHEDULE IP

Availability

In the Cooperative's Certificated Area to large irrigation pumping customers with connected pumping loads exceeding 50 horsepower and where the Cooperative's facilities are of adequate capacity and the required phase and suitable voltage are in existence and are adjacent to the premises served.

Application and Type of Service

Alternating current, single phase or three phase, 60 Hertz, at available secondary voltages. This rate is not applicable to standby, supplementary or resale service.

Monthly Rate

LARGE IRRIGATION PUMPING IP	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo)		\$5.49	\$5.42	\$10.00	\$40.85	\$61.76	\$61.76
Billing Demand (per NCP kW)	\$5.90	\$0.00	\$0.00	\$0.00	\$1.62	\$1.62	\$7.52
Energy Charge (\$/kWh) (Single or Three-Phase)	\$0.072135				\$0.010119	\$0.010119	\$0.082254

Billing Demand per NCP kW

The billing demand shall be the maximum kilowatt demand established for any fifteen (15) minute period during the billing month.

APPROVED FOR FILING

DECISION #: 73352

EXHIBIT B

ORIGINAL

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MEC ELECTRIC RATES

LARGE IRRIGATION PUMPING SERVICE SCHEDULE IP

Minimum Monthly Charge

The greater of the following, not including any purchased power cost adjustor or any other adder approved by the Arizona Corporation Commission:

1. The Customer Charge
2. The amount specified in the written contract between the Cooperative and the customer.

Billing Adjustments and Adders

This rate is subject to all billing adjustments outlined in Schedule A.

Other Charges

Other charges may be applicable subject to approval by the Arizona Corporation Commission.

Rules and Regulations

The Rules and Regulations of the Cooperative as on file with the Arizona Corporation Commission shall apply to Customers provided service under this Service Schedule where not expressly inconsistent with this Service Schedule.

Contract

If service is requested in the Cooperative's Certificated Area and the provision outlined in the Availability Clause of this rate tariff cannot be met, it will be necessary for the Cooperative and customer to mutually agree, in a written contract, on the conditions under which service will be made available.

APPROVED FOR FILING

DECISION #: 73352